

# Public Utilities Commission

Analyst: Milstead

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Approp</b>	<b>FY 2003 Request</b>	<b>FY 2003 Gov Rec</b>
<b>BY PROGRAM</b>					
Utilities Regulation	2,324,900	4,065,400	4,433,100	4,477,500	4,437,200
Administration	1,112,500	0	0	0	0
Regulated Carriers	304,800	0	0	0	0
<b>Total:</b>	<b>3,742,200</b>	<b>4,065,400</b>	<b>4,433,100</b>	<b>4,477,500</b>	<b>4,437,200</b>
<b>BY FUND CATEGORY</b>					
General	278,700	0	0	0	0
Dedicated	3,463,500	4,065,400	4,375,300	4,421,500	4,381,900
Federal	0	0	57,800	56,000	55,300
<b>Total:</b>	<b>3,742,200</b>	<b>4,065,400</b>	<b>4,433,100</b>	<b>4,477,500</b>	<b>4,437,200</b>
Percent Change:		8.6%	9.0%	1.0%	0.1%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	2,572,700	2,699,600	3,069,300	3,109,900	3,082,800
Operating Expenditures	1,120,400	1,319,800	1,239,400	1,325,800	1,312,600
Capital Outlay	49,100	46,000	124,400	41,800	41,800
<b>Total:</b>	<b>3,742,200</b>	<b>4,065,400</b>	<b>4,433,100</b>	<b>4,477,500</b>	<b>4,437,200</b>
Full-Time Positions (FTP)	50.00	49.00	49.00	49.00	49.00

## Department Description

The Idaho Public Utilities Commission was established by the 12th session of the Idaho legislature and was organized on May 8, 1913. The Commission oversees the intrastate operation of investor-owned electric, gas, water, and telecommunications utilities, pipelines, and railroads. The Commission does not regulate publicly owned municipal, or cooperative utilities. The Commission serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services to be delivered safely, reliably, and efficiently, and by ensuring safe and adequate rail services within the state.

After the legislature removed the motor carrier function from the Commission, the Administration, Utilities and Regulated Carriers programs were combined into one program for budgeting purposes. The commissioners are supported by two policy analysts, legal counsel, the utilities division, and an administrative division.

The Administration Division has management, fiscal, personnel and public affairs, and railroad carrier responsibilities. It provides support services for the agency (sections 61-301:337, Idaho Code). The railroad carriers function is responsible to assure that railroads operate safely and that the public is provided adequate rail service (section 61-509, Idaho Code).

The Utilities Division includes: Accounting, Engineering, Economic, Telecommunications, and Consumer Assistance. The Accounting Section advises the Commission on auditing, accounting, financing, income tax and security issues. It participates in all rate cases to determine proper income, expenses, rate bases and revenue requirements. The Engineering, Economic, and Telecommunications Sections are primarily responsible for economic and engineering analysis of rates, rate design, and cost of service and technical evaluations of company proposals. The Consumer Assistance Section is responsible for handling customer complaints and specialized information requests.

Programs are funded by the Public Utilities Commission Fund which consists of fees collected from the regulated utilities (telephone, power, natural gas, and water corporations) in the amount of not more than 0.3% (currently .2883%) of their intrastate revenues (section 61-1004, Idaho Code) and from railroad corporations not more than 1% (currently .7633%) of the gross operating revenues derived from the intrastate business. In prior years, General Fund expenditures for the salaries and benefits of the commissioners (section 61-1009, Idaho Code) were reimbursed to the General Fund at year end from the Public Utilities Commission Fund. However, beginning in FY 2001, the law was changed and Commissioner's salaries are now paid from the PUC Fund.

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## Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
<b>FY 2002 Original Appropriation</b>	<b>0</b>	<b>4,433,100</b>	<b>0</b>	<b>4,433,100</b>
Removal of One-Time Expenditures	0	(124,400)	0	(124,400)
<b>FY 2003 Base</b>	<b>0</b>	<b>4,308,700</b>	<b>0</b>	<b>4,308,700</b>
Personnel Cost Rollups	0	13,500	0	13,500
Inflationary Adjustments	0	13,200	0	0
Replacement Items	0	37,800	0	37,800
Nonstandard Adjustments	0	73,200	0	73,200
Change in Employee Compensation	0	24,300	0	0
Fund Shifts	0	0	0	0
<b>FY 2003 Program Maintenance</b>	<b>0</b>	<b>4,470,700</b>	<b>0</b>	<b>4,433,200</b>
1. Pipeline Safety Test Equipment	0	4,000	0	4,000
2. Commissioner Salary Increase	0	2,800	0	0
<b>FY 2003 Total</b>	<b>0</b>	<b>4,477,500</b>	<b>0</b>	<b>4,437,200</b>
Change from Original Appropriation	0	44,400	0	4,100
% Change from Original Appropriation		1.0%		0.1%
Change in FTP's		0.00		0.00

# Public Utilities Commission

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2002 Original Appropriation</b>					
	49.00	0	4,375,300	57,800	4,433,100
<b>Removal of One-Time Expenditures</b>					
Remove \$100,800 provided for replacement items and \$23,600 provided for startup costs of the pipeline safety program.					
Agency Request	0.00	0	(115,000)	(9,400)	(124,400)
Governor's Recommendation	0.00	0	(115,000)	(9,400)	(124,400)
<b>FY 2003 Base</b>					
Agency Request	49.00	0	4,260,300	48,400	4,308,700
Governor's Recommendation	49.00	0	4,260,300	48,400	4,308,700
<b>Personnel Cost Rollups</b>					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	0	13,400	100	13,500
Governor's Recommendation	0.00	0	13,400	100	13,500
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.7% in operating expenditures.					
Agency Request	0.00	0	12,900	300	13,200
<i>The Governor recommends no increase for inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Replacement Items</b>					
Replacement items include \$1,000 for a desk, \$1,000 for two chairs, \$400 for a table, \$500 for office equipment, \$7,500 for computer network equipment, \$22,100 for personal computers, \$2,800 for a laptop and \$2,500 for a printer. This request replaces 13 or 20% of the Commissions computers (five-year cycle).					
Agency Request	0.00	0	37,800	0	37,800
Governor's Recommendation	0.00	0	37,800	0	37,800
<b>Nonstandard Adjustments</b>					
This decision unit adjusts the budget by \$74,600 for Attorney General fees, (\$1,000) for State Controller fees, and (\$400) for State Treasurer fees in accordance with the Statewide Cost Allocation Plan (SWCAP).					
Agency Request	0.00	0	73,200	0	73,200
Governor's Recommendation	0.00	0	73,200	0	73,200
<b>Change in Employee Compensation</b>					
Reflects the cost of a 1% salary increase for permanent positions excluding commissioners' salaries.					
Agency Request	0.00	0	23,900	400	24,300
<i>The Governor recommends state employee compensation increases to be made from salary savings.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Fund Shifts</b>					
Adjust funding to accommodate an anticipated increase in federal funding for the pipeline safety program.					
Agency Request	0.00	0	(5,200)	5,200	0
Governor's Recommendation	0.00	0	(5,200)	5,200	0
<b>FY 2003 Program Maintenance</b>					
Agency Request	49.00	0	4,416,300	54,400	4,470,700
Governor's Recommendation	49.00	0	4,379,500	53,700	4,433,200

# Public Utilities Commission

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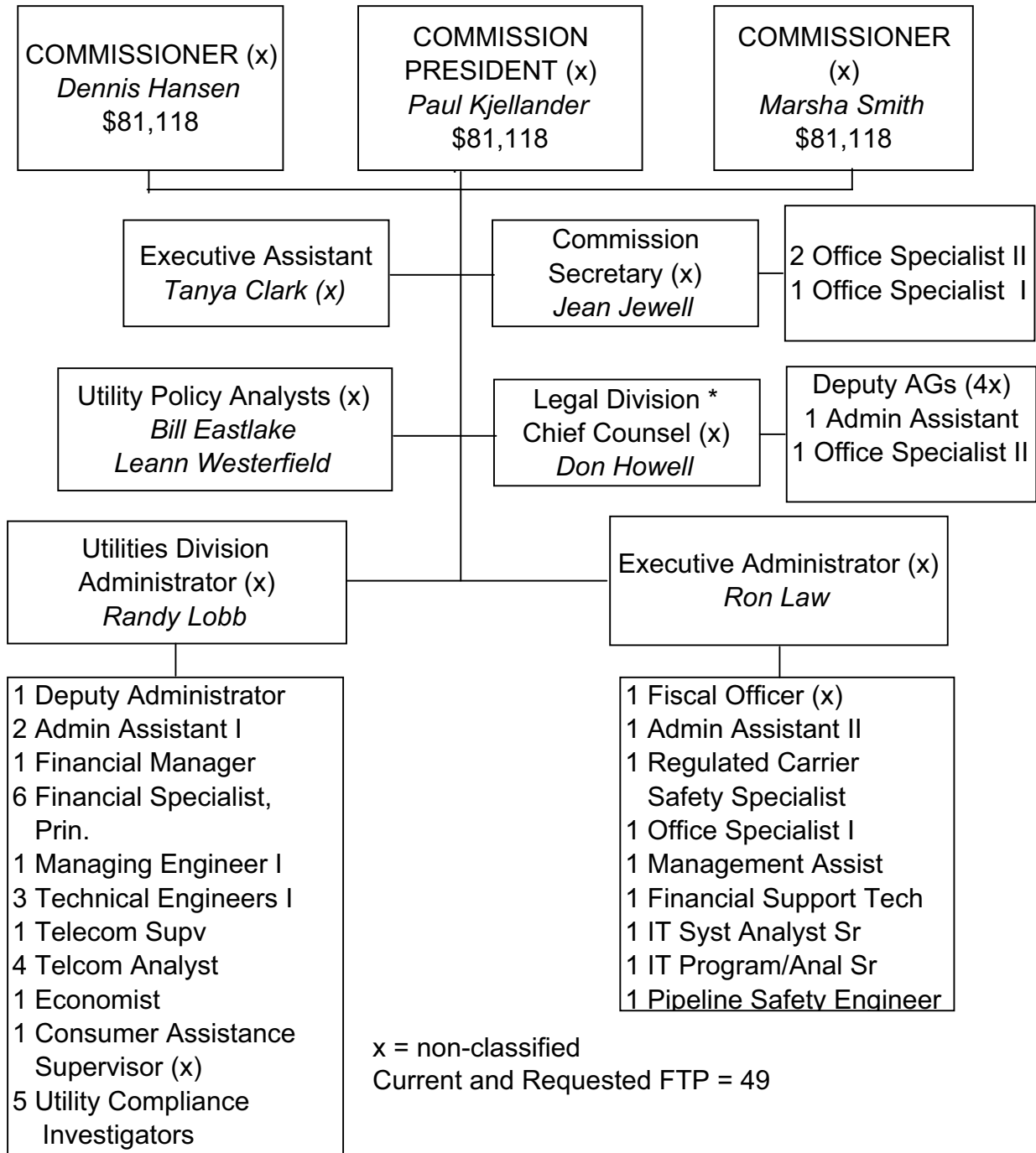
Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>1. Pipeline Safety Test Equipment</b>					
Provides 60% dedicated and 40% federal spending authority to purchase test equipment for the natural gas pipeline safety program. The request includes \$1,000 (\$600 dedicated) for a flame ionization unit, \$1,200 (\$700 dedicated) for a combustible gas indicator, \$800 (\$500 dedicated) for an oxygen sensor, and \$1,000 (\$600 dedicated) for other equipment. The objective of the natural gas pipeline safety program is to ensure the safe, reliable and environmentally sound operation of the intrastate pipeline system. [One-time]					
Agency Request	0.00	0	2,400	1,600	4,000
Governor's Recommendation	0.00	0	2,400	1,600	4,000
<b>2. Commissioner Salary Increase</b>					
Last session, H306 increased the salaries of the Public Utilities Commissioners for FY 2002 by 4.5%. That amounted to a change from \$77,625 to \$81,118 per year for each of the three commissioners. This decision unit acts as a placeholder for companion legislation and represents the cost of a 1% increase in Commissioner Salaries and related benefits for FY 2003. [Ongoing, Requires Legislation]					
Agency Request	0.00	0	2,800	0	2,800
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2003 Total</b>					
Agency Request	49.00	0	4,421,500	56,000	4,477,500
Governor's Recommendation	49.00	0	4,381,900	55,300	4,437,200
Agency Request					
Change from Original App	0.00	0	46,200	(1,800)	44,400
% Change from Original App	0.0%		1.1%	(3.1%)	1.0%
Governor's Recommendation					
Change from Original App	0.00	0	6,600	(2,500)	4,100
% Change from Original App	0.0%		0.2%	(4.3%)	0.1%

# Public Utilities Commission

## Issues & Information

Analyst: Milstead

### Organizational Chart



\*Note: Attorneys General are paid through o.e. by contract with the AG's office and do not count as FTPs in this agency.

# Public Utilities Commission

## Issues & Information

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### Strategic Planning Act Performance Measures

Selected Measures	FY 2000 Act	FY 2001 Act	FY 2002 Est	FY 2003 Est
1. Number of informal workshops/settlement conferences	NA	NA	NA	NA
2. Number of informal complaints	NA	NA	NA	NA
3. Number of informal complaints investigated	NA	NA	NA	NA
4. Conduct one regional round-table per year	1	1	NA	NA
5. Increase consumer participation in commission proceedings	NA	NA	NA	NA
6. Resolve issues using alternative dispute resolution	NA	NA	NA	NA
7. Number of gas pipeline inspections	NA	NA	NA	NA
8. Review 100% of all rates and conditions for competitive services within 10 days of receipt	83.0%	95.0%	95.0%	95.0%
9. Resolve complaints within five days	3.3	4.2	5.0	5.0
10. Improve quality of utility service	NA	NA	NA	NA
11. Increase the number of residential electric customers	2.7%	NA	NA	NA
12. Conduct railroad crossing safety inspections	112	135	130	130
13. Investigate railroad crossing accidents	46	32	35	35
14. Correct railroad crossing maintenance deficiencies	22	46	33	33
15. Conduct hazardous materials inspections of railroad tankcars	NA	456	550	550

Note: The PUC has revised its strategic goals; many performance measures are in the base year and results are Not Available (NA).

Fund Information	FY 2000 Act	FY 2001 Act	FY 2002 Est	FY 2003 Est
<b>Public Utilities Commission Fund</b>				
Beginning Free Fund Balance	\$3,381,700	\$3,553,700	\$3,650,500	\$3,370,300
Encumbrances as of July 1	3,900	0	0	0
Regulatory Utility Fees (.2883% of intrastate rev)	3,524,700	4,021,500	4,010,400	3,920,200
Utilities Security Issuance Fees	4,800	6,100	5,000	5,000
Railroad Regulatory Fees (.7633% gross op rev)	72,600	133,100	137,000	137,000
Private Carrier Fees (\$7)	7,700	0	0	0
Common Carrier Fees (\$21)	2,800	0	0	0
Exempt Carrier Fees	0	0	0	0
Base State Fees (\$1 Single State Regis. System)	4,200	0	0	0
Transfer from Idaho Transportation Department	300,000	0	0	0
Miscellaneous Receipts (sale of copies, etc.)	2,600	1,500	500	500
<b>Total Available for Year</b>	<b>7,305,000</b>	<b>7,715,900</b>	<b>7,803,400</b>	<b>7,433,000</b>
Transfer to General Fund for Commish Salaries	278,700	0	0	0
Cash Expenditures	3,472,600	4,065,400	4,433,100	4,477,500
Encumbrances as of June 30	0	0	0	0
<b>Ending Free Fund Balance*</b>	<b>\$3,553,700</b>	<b>\$3,650,500</b>	<b>\$3,370,300</b>	<b>\$2,955,500</b>

\*The PUC needs to retain a Free Fund Balance of about 50% of the appropriation for cash-flow purposes.  
FY 2002 and FY 2003 amounts do not include \$57,800 and \$49,900, respectively, in federal pipeline safety grants